



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0095	Title:	Provide increase in employer contribution to optional retirement program
Primary Sponsor:	Olson, A.	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Include in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$1,093,517	\$1,161,586	\$1,261,025	\$1,394,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$1,093,517)</u>	<u>(\$1,161,586)</u>	<u>(\$1,261,025)</u>	<u>(\$1,394,000)</u>

Description of fiscal Impact: HB 95 increases the employer's retirement contribution by 1 percent for employees participating in the Optional Retirement Program. The 1 percent increase is applied to each participant's earned compensation. The increase is paid by a statutory appropriation from the general fund.

FISCAL ANALYSIS

Assumptions:

1. A general fund statutory appropriation will pay for the additional employer contribution regardless of the funding source for the salary of the employee in the Optional Retirement System.
2. The total of the Montana University System's participant's earned compensation for FY 2006, including a 1 percent employer contribution increase is estimated below.

	FY 2008	FY 2009	FY 2010	FY 2011
ORP Salaries	109,351,666	116,158,555	126,102,478	139,400,046
Employer Incease	1%	1%	1%	1%
Increase	1,093,517	1,161,586	1,261,025	1,394,000
Annual Estimated Growth in ORP Salaries		6%	9%	11%

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$1,093,517	\$1,161,586	\$1,261,025	\$1,394,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,289,600	\$1,289,600	\$1,289,600	\$1,289,600
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,093,517)	(\$1,161,586)	(\$1,261,025)	(\$1,394,000)

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date